

THE PACIFIC LUMBER COMPANY

CALIFORNIA FOREST PRACTICE RULE COMPLIANCE

INTERIM PLAN

1. Company Policy:

- 1.1. Compliance with all laws, rules, regulations and agreements must be the **Number 1** priority of the company, taking precedence over all other resource activities and objectives. Strict adherence to the THP process must be maintained, no exceptions. The goal of all employees must be to achieve the company's objectives (timber production, site preparation, etc.) while maintaining full compliance with all applicable regulations.

2. Re-organize and strengthen the Compliance Team

2.1. Composition of the Compliance Team

2.1.1. Expand the Compliance Staff to include:

2.1.1.1. Team Leader (Chief Compliance Forester), an RPF;

2.1.1.2. Four Compliance Foresters, (Compliance RPF);

2.1.1.3. Four Forest Technicians.

2.2. Structure of the Compliance Team:

2.2.1. The Chief Compliance Forester will be located in Scotia, and report directly to the President.

2.2.2. The Compliance RPFs and Forest Technicians will work as four compliance teams each consisting of a Compliance RPF and a Technician. The Forest Technician is directed by the RPF and assists him in compliance activities. Compliance teams will be located at the Yager Creek facility along with the Logging manager's staff. See the attached 1999 THP Compliance Department Organization Chart.

2.2.2.1. It is anticipated that the workload of the compliance team will vary with time of year. Staffing of the compliance team will be phased in accordance with the following schedule:

2.2.2.1.1. Upon resumption of operations, 2 teams

2.2.2.1.2. April 1, 1999, 3 teams

2.2.2.1.3. May 1, 1999,

4 teams (fully staffed)

2.2.3. Following the pre-operations meeting between the RPF who prepared the plan (Plan RPF), the Compliance RPF in charge of the plan, and the LTO, the Plan RPF will file a plan amendment with CDF transferring responsibility for the THP to the Compliance RPF including authority to amend the plan. Any subsequent change in responsibility will be documented by a THP amendment.

2.2.4. Compliance RPF has full authority to stop any and all work when he/she deems it necessary for THP compliance. Work stopped by the Compliance RPF shall not resume until authorized by, and under conditions established by the Compliance RPF, or on appeal by the Chief Compliance Forester.

2.2.5. Remove from the Compliance Team all work supervision responsibility for repair or maintenance activities required for THP compliance that cannot be readily made by one person with available hand tools. Repairs requiring greater level of effort shall be reported to the Road Maintenance Foreman for action; timely and proper execution of reported work shall be monitored by the Compliance Team.

2.3. Duties of the Compliance RPF:

2.3.1. Total oversight responsibility for compliance of Timber Operations conducted pursuant to an approved THP from the beginning of operations through filing of the Work Completion Report and post-operations road maintenance requirements.

2.3.2. Report all compliance problems to the Chief Compliance Forester daily.

2.3.3. All communication with CDF regarding timber operations through completion.

2.3.4. Involvement in all additional permitting and amendment necessary to implement THPs.

2.3.5. Communication with site preparation and planting crews

2.3.6. Monitoring of compliance with burn permit and post-completion road maintenance provisions.

2.4. Duties of the Chief Compliance Forester

2.4.1. Assign area and THP responsibility to compliance team members. Supervises compliance team, coordinate timely Completion Reports, maintain uniformity of work.

- 2.4.2. Monitor staff workload. When staff exceeds available workload, Chief Compliance Forester may temporarily assign team members to other departments, e.g. Chief Forester for THP preparation, Timberlands Manager for timberland management activities, etc. Chief Compliance Forester's staffing needs have priority over all other demands on staff assigned to his department.
- 2.4.3. Identification and remediation of the current backlog of THPs in need of Work Completion and Stocking reports.
- 2.4.4. Meet regularly with team members and at least weekly with the President to discuss the compliance team's activities and cooperation from other departments.
- 2.4.5. Is responsible for supervision of maintenance of a THP filing system after THP approval.
- 2.4.6. Work with the Chief Forester to ensure clarity and consistency of THP language as it affects operational compliance.
- 2.4.7. Investigate, analyze and report to the President all THP violations. Recommend corrective policies or procedures to reduce repeated offences.
- 2.4.8. Prepare Monthly Compliance Report, which contain an Executive Summary, Conclusions, and Recommendations. The report shall be distributed to PALCO resource management team, reviewed at a staff meeting, then forwarded to CDF with the results of the management team's review.
- 2.4.9. Develops and maintains a positive working relationship with CDF.

3. Establish a Road Maintenance Team

3.1. Composition of the Road Maintenance Team:

- 3.1.1. Road Maintenance Foreman
- 3.1.2. Three Road Crew members

3.2. Structure of the Road maintenance Team:

- 3.2.1. Two 2-man crews (including Road Maintenance Foreman), each with a pickup equipped with radio and basic maintenance and repair equipment. The team will have priority access to a backhoe, dump truck, road grader, and water truck. Access to other equipment as required.

3.3. Duties of the Road Maintenance Team

- 3.3.1. Continuous active road and drainage condition inspection and repair.
- 3.3.2. Timely response to compliance needs identified by the Compliance Team as communicated to the Road Maintenance Foreman.
- 3.3.3. Scheduled road maintenance and repair activities.
- 3.4. Duties of the Road Maintenance Foreman
 - 3.4.1. Report to the Logging Manager
 - 3.4.2. Prepare and oversee an active coordinated inspection and maintenance schedule of all company roads. Receive monthly reports of road use activity from Logging Manager and Timberlands Manager.
 - 3.4.3. Prepare and oversee an inspection schedule for all inactive roads prior to the commencement of the Winter Operating period of each year
 - 3.4.4. In consultation with the Compliance Team, develop and maintain a work priority schedule, and oversees a timely response to maintenance problems reported by Compliance Team and other sources.
 - 3.4.5. Coordinate activities with the “storm-proofing” crew foreman to avoid duplication of work and/or conflicts with HCP standards.
 - 3.4.6. Engage in regular communication with Compliance Team to ensure scheduled repairs conform to specific THP requirements.

4. Burn Policy

- 4.1. Actions to be undertaken by the Timberlands manager:
 - 4.1.1. Develop analysis criteria to identify burn blocks and appropriate prescriptions
 - 4.1.1.1. What, When, How many, is it necessary?
 - 4.1.2. Develop with Chief Forester standardized language to be inserted in the WLPZ protection and Site Preparation Addendum elements of all THPs prepared for PALCO, to describe generally recognized acceptable levels of incidental fire incursions into WLPZs.
 - 4.1.3. In coordination with Compliance Team, ensure compliance with requirements stated in CDF burn permits and THPs, including adequate post-ignition monitoring.
 - 4.1.4. Improve communication and coordination with CDF regarding conduct of burn operations.

4.1.5. Review workload and staffing levels of site preparation and reforestation activities.

4.1.6. Report to the President on actions taken.

5. Recommended actions by the President:

5.1. The Chief Compliance Forester must have the full, visible, and active support of the President.

5.2. Chief Compliance Forester must have the full cooperation of the Logging Manager. The President must communicate this relationship.

5.3. A program to reward employees and contractors for improved compliance shall be initiated.

5.4. A policy of appropriate, consistent, and timely discipline of employees and contractors who violate Forest Practice Rules shall be initiated.

5.5. The company shall establish policy that it is a duty of all employees to immediately report all road problems they encounter to the Road Maintenance Foreman for timely scheduling and repair.